

THE RFP REPORT

ISSUE 42
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The newsletter of ideas, checklists, guidelines and information about the Request For Proposal

Michael Asner, Editor

The Evaluation Process and Procurement Reform

This issue deals with best RFP practices and the evaluation process.

- ▶ State of Alaska has produced an excellent RFP Evaluators Guide which provides overall direction to each evaluator.
- ▶ The Federal Transit Administration has developed a Best Practices Procurement Manual which discusses issues such as competitive range and negotiations and provides valuable commentary.
- ▶ The Atlantic Lottery Corporation has produced an Evaluation Charter, a detailed description of the evaluation process designed to educate and direct each evaluator.
- ▶ This issue also provides some information about procurement reform – two reports both dealing with New York City. However, much of the content can be applied to smaller jurisdictions.

And finally, this issue contains an excerpt from our latest publication: *An Elected Officials Guide to Public Sector Procurement in Canada*. While written for Canada, all of the topics are key issues in any jurisdiction governed by a public policy of fair and open competition.

Some recent activities

The last three months have been busy and exciting:

- ▶ In August, NIGP held their annual Forum in Nashville and more than 1100 members attended. It was a great combination of professional development and fun! I gave my workshop on Bullet-Proofing Your RFPs.
- ▶ We released our latest reference text, *A Searchable Library of the Best RFP Practices from More Than Sixty Jurisdictions*. (See www.proposalsthatwin.com for more information.)
- ▶ We released a small guide entitled *An Elected Officials Guide to Public Procurement in Canada*. (See www.proposalsthatwin.com for more information.)
- ▶ We participated in an audit of procurement practices for the Government of the Northwest Territories.

Some upcoming events

- ▶ Sept. 22 - San Diego Airport Authority is sponsoring Bullet-Proofing Your RFPs.
- ▶ Oct. 9 – NIGP is sponsoring a webcast which I will present on “Shortcuts on the road to RFP excellence”.
- ▶ Oct. 13 – District VI of National Association of Educational Buyers is holding its Regional Meeting in Las Vegas. I will be speaking on “Avoiding RFP Disasters! Some items for your toolkit”.
- ▶ Oct. 22 – NIGP Pennsylvania is sponsoring Bullet-Proofing Your RFPs.
- ▶ Oct. 24 – Ontario Institute of the Purchasing Management Association of Canada is having a Supply Management Conference in Toronto. I will be speaking on avoiding RFP disasters.
- ▶ Dec. 3 – Western States Contracting Alliance is meeting in Santa Fe. I will be speaking on avoiding RFP disasters.

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RFP's and the law of contracts

The process of issuing an RFP and receiving proposals does, by design or inadvertently, establish contractual rights and obligations. Each RFP and the associated process should be reviewed by your lawyer or legal department prior to issuing the RFP. The examples and sample RFP's used throughout this text have been used in many different jurisdictions in the past. The author makes no claim about the appropriateness, correctness, or legal consequences of these examples or sample RFPs. Competent legal advice should be obtained to review your Request For Proposal and the associated process.

Our Products

Reference Books

- The Request For Proposal Handbook
- Handling Supplier Complaints and Protests
- The RFP Report
- A Searchable Library of the Best RFP Practices

Video

- Creating A Winning Proposal (102 minutes)

Our Web Site

www.proposalsthatwin.com

State of Alaska RFP Evaluators Guide

Alaska is a great source of procurement documents. Other issues of The RFP Report have dealt with their RFP Shell and Written Determinations. A full list of the available documents can be found at the Purchasing Division's web site: <http://www.state.ak.us/admin/dgs/policy.htm>

Alaska has written an 8-page evaluators guide designed to provide overall direction. This guide applies to any RFP. It deals with basic issues. In the text which follows, each topic in the Guide is identified in **bold** type. Selected quotes have been included in the boxes.

Why Who What

Evaluation of complex offers is intense, time-consuming, difficult work, which must be accomplished on a limited schedule. You should expect to spend full workdays in committee session, and you should arrange your regular work to avoid interruptions to the committee's work.

When Where How

The Procurement Officer is bound to follow the procedures laid out in the RFP and is limited to the evaluation topics and considerations that were published in the RFP. Neither the Procurement Officer nor the evaluation committee are allowed to deviate from the procedure and evaluation requirements of the RFP.

Role of the committee in the procurement Role of evaluator in committee Role of procurement officer in procurement Ethical considerations

On the other hand, if you stay throughout the process either knowing or suspecting you have an ethical conflict in participating, you could be jeopardizing an important State project and the hundreds of hours of time invested in it by both the State and the Offerors.

Indeed the consequences of sticking it out could very well result in adverse publicity, personal embarrassment, embarrassment to the Governor's administration, possible court action, or worse. It's far better to disclose problems at the earliest possible time, and allow the opportunity to make any adjustments to keep the process fair to all competitors

Procurement Code considerations

Penalties

The State's procurement system spends hundreds of millions of dollars per year, and is one of the main ways money is transferred from the government to private hands. With that much money, it's not surprising that the government wants to minimize the possibilities and opportunities for corruption in misdirecting some of it.

Because procurement is an activity that involves the spending of very large sums of money, it is a Class C felony to willfully circumvent the Procurement Code.

Numerical scoring systems do not need explanation Protests, appeals and lawsuits

Protests, Appeals, and lawsuits are a part of procurement life. It is likely that one or more of these actions could occur over the procurement for which you serve as an evaluator. Such actions may or may not center on your activities as an evaluator, but generally they do not. Most actions are related to procedural issues and involve only the decision of the Procurement Officer. However, it's not uncommon for a protester to review the scoring of individual evaluators. That's why it's essential that you work hard to score the offers in a consistent and explainable

Communications with proposer outside committee

It's not appropriate for you to have direct communication with any of the proposers outside of the formal in-session communications arranged by the Procurement Officer. Any attempt by one of the proposers to have direct or indirect communication with you outside of a committee session should be avoided and reported to the Procurement Officer.

Independent judgment

The exercise of independent judgment applies not only to possible influences from outside the evaluation committee, but also to influences from within the committee. It's normal and acceptable for there to be debate, even passionate debate, within the committee about how well a proposal meets the evaluation criteria. As an independent evaluator you may be swayed by debate in making your judgment about many points you wish to award, and that is perfectly OK.

However, evaluators may not act in a concerted way to either favor or disfavor a particular proposal or group of proposals, as this would be in opposition to the requirement that evaluators act using independent judgment.

Attempts by anyone, including colleagues, subordinates, and superiors, to influence you to improperly favor or disfavor a particular proposer, such as awarding or withholding points in a manner that might affect the outcome of the committee results, must be reported to the Procurement Officer immediately.

Not based on discrimination

Timeliness and attendance of committee deliberations

Replacement of committee members

Points already earned before committee consideration

Prices many not be revealed until after first scoring

Comparing offers

Non-conflict of interest form

Once the proposals have been received and it is clear which companies are involved in the RFP, the Division of General Services (DGS) recommends that the Procurement Officer and each member of the proposal evaluation committee sign a "Non-Conflict of Interest" form. This form must be signed before any committee member, including the Procurement Officer, begins their evaluation of the proposals. The signed forms must be maintained in the procurement file. The form and other procurement documents are available at DGS' web site: <http://www.state.ak.us/local/akpages/ADMIN/dgs/policy.htm>

An Elected Officials Guide to Public Procurement in Canada

About ten years ago, the Government Finance Officers Association (GFOA) wrote a guide entitled "An Elected Officials Guide to Procurement". I liked this guide. It provided short, easy to understand responses to the most commonly asked questions.

I've recently written a similar guide for Canada. All of the questions and most of the answers apply in the U.S. This Guide was sponsored by Summit, our only magazine dealing exclusively with public sector purchasing (www.summitconnects.com) and the Purchasing Management Association of Canada (www.pmac.ca).

This Guide was written for two reasons.

1. Procurement people want elected officials to hear their message . . .

There are several recurring, common concerns - important messages for politicians and senior executives within governments and agencies.

Many Canadian procurement people believe that:

1. Few senior managers and elected politicians understand what procurement people do. They don't understand what value procurement people add to the process. They generally think that procurement people impede progress by insisting that unnecessary tasks be done. (See: 14. But what do procurement people do all day?)
2. These same managers and elected officials fail to understand that procurement is governed not by a local political agenda but by public policy and the courts. There are rules that must be followed in every jurisdiction, not just by the federal government. (See: 7. What is the legal framework for procurement?)
3. And finally, these same managers and elected officials fail to recognize that procurement is organized as a profession and has a strong code of conduct for its members. (See: 9. What values do procurement people hold?)

2. Vendors want elected officials to hear their message . . .

During this same time, I've worked with private sector firms to help them understand how to sell to governments. I give a workshop on Creating Winning Proposals. This has permitted me to discuss key concerns with a wide variety of private sector firms: printing companies, engineers, systems integrators, recycling firms, accounting firms. These firms, from all over North America, have a common set of concerns:

1. Vendors generally don't understand and are often intimidated by the procurement process. (See: 22. How to get vendors on your side?)
2. Vendors are concerned that, although a government is announcing a competition for a contract, the winner has already been decided. They distrust the process. (See: 8. What sorts of abuses occur?)
3. Vendors believe government hides information or, at least, makes it difficult to obtain. The proposal writing process is very expensive and when you lose it is difficult to find out the specific reason you lost. (See: 11. What information is available to the public?)

The Guide answers 26 questions. Each answer is about 200 words.

CONTENTS

Some fundamental issues

1. What is procurement?
2. Why is procurement important?
3. Why do we have a procurement function or department?
4. What is a procurement policy?
5. Why is "fair and open competition" the backbone of procurement?
6. I know it's English, but what do all those strange terms mean?

Ethics, Law and Abuses

7. What is the legal framework for procurement?
8. What sorts of abuses occur?
9. What values do our procurement people hold?
10. What can be done to safeguard the procurement function?
11. What information is available to the public?
12. Why do suppliers complain?

Organization of the Procurement Function

13. But what do procurement people do all day?
14. What are the requirements for procurement personnel?
15. How is the procurement function organized?

Competition

16. What is a competitive procurement?
17. Why are specifications so important?
18. What are the different ways to acquire goods and services?
19. Are bids and proposals different?
20. Why is "sole sourcing" a problem?

Other Topics

21. What is co-operative purchasing?
22. What is e-purchasing?
23. What is electronic tendering?
24. Why do so many projects fail?
25. Where do procurement people go for help?
26. Where can you get more information about these issues?

For more information, visit my website and click on the Guide: www.proposalsthatwin.com

Federal Transit Administration (FTA) U.S. Department of Transportation Best Practices Procurement Manual

<http://www.fta.dot.gov/library/admin/BPPM/>

We don't usually review federal publications in *The RFP Report*. Most of our readers find federal rules and regulations overly complex and not a particularly good fit for their (smaller) jurisdictions. This document is an exception. Several of its sections and many of the examples can be easily adapted for use by smaller cities, counties, and states.

Here is the story

In 1996, FTA published the original version. Since then, it has been expanded and revised several times. The full document is almost 600 pages long and is designed specially for organizations receiving FTA funds.

The current manual consists of 11 chapters:

1. Purpose and Scope
 2. Procurement Planning & Organization
 3. Specifications
 4. Methods of Solicitation and Selection
 5. Award of Contracts
 6. Procurement Object Types: Special Considerations
 7. Disadvantaged Business Enterprise
 8. Contract Clauses
 9. Contract Administration
 10. Close-Out
 11. Disputes
- Appendix A: Governing Documents
Appendix B: Examples
Appendix C: Glossary and Index

Section 4.5 is about 20 pages in length and deals with RFPs:

- 4.5 Competitive Proposals (Request for Proposals) (5/96)
 - 4.5.1 Solicitation & Receipt of Proposals (5/96)
 - 4.5.2 Evaluation of Proposals (5/96)
 - 4.5.2.1 Evaluation Criteria (5/96)
 - 4.5.2.2 Scoring Mechanics (5/96)
 - 4.5.3 Competitive Range (5/96)
 - 4.5.4 Discussions and Clarifications (5/96)
 - 4.5.5 Additional Submissions (5/96)
 - 4.5.5.1 Request for Revised Proposals (5/96)
 - 4.5.5.2 Request for Best and Final Offer (5/96)
 - 4.5.6 Award Based on Initial Proposals (5/96)
 - 4.5.7 Withdrawal of Proposals (5/96)
 - 4.5.8 Debriefing Unsuccessful Offerors (5/96)

The FTA has established a minimum set of requirements which all agencies must incorporate into their RFP processes:

REQUIREMENT
Requests for proposals shall be publicized.
RFPs shall identify all evaluation factors along with their relative importance.
Proposals will be solicited from an adequate number of qualified sources. You shall make award only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed agreement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
Awards will be made to the responsible firm whose proposal is most advantageous to the grantee's program with price and other factors considered.
In architectural and engineering services procurements, grantees shall use competitive proposal procedures based on the Brooks Act, which requires selection based on qualifications and excludes price as an evaluation factor provided the price is fair and reasonable. (See Section 6.5 [future section], "Architectural and Engineering Services") Grantees will have a method in place for conducting technical evaluations of the proposals received and for selecting awardees.
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Awards will be made to the responsible firm whose proposal is most advantageous to the grantee's program with price and other factors considered.
In architectural and engineering services procurements, grantees shall use competitive proposal procedures based on the Brooks Act, which requires selection based on qualifications and excludes price as an evaluation factor provided the price is fair and reasonable. (See Section 6.5 [future section], "Architectural and Engineering Services")

This 20-page document embodies a "common sense" approach to RFPs. It discusses many issues not normally addressed in an RFP Guide or Handbook. It, therefore, provides us with some good insight into their thinking and some words which may make the RFP process more palatable to the vendor community. Here are some of the issues they deal with.

(a) Evaluation Process

For example, they discuss why we disclose details of the evaluation process:

The purposes for disclosing of the evaluation process are so that:
<ul style="list-style-type: none">• offerors can more accurately respond to your needs rather than solely rely on the technical specifications alone;• proposers will be able to clearly present the information you need to conduct your evaluation; and• the appearance of favoritism or unethical practice in offeror selection will be diminished.

The competitive proposal process involves a subjective evaluation process and discussions that are typically confidential. Public acceptance and acceptance by disappointed offerors might be less than in the case of sealed bids, if the evaluation and selection process is not well documented and disclosed in advance.

(b) They discuss timing and selection of the evaluation criteria.

However, the Circular requires that evaluation procedures be in place, and that at least the criteria and their importance be published in the RFP. You may choose a relatively simple process or a complex system of committee-averaged, weighted scores and pass-fail criteria; however, you must plan and document the process in advance so that everyone is confident that the process is objective, so the proposers are on notice of the criteria, and so that no-one can credibly allege that the process was created to achieve a specific result based on the information in the proposals

(c) They provide some solid direction to their Agencies, especially about determining the competitive range:

4.5.3 Competitive Range

DISCUSSION

At this stage in the competitive proposal procurement, you have received the proposals from interested offerors and have begun the process of evaluation and selection. Negotiation and the repeated analyses and evaluations required can be very time consuming and there is often a wide range of competence or cost-effectiveness in the initial proposals. You may not wish to expend this effort on all the proposals for two reasons:

- certain proposals, upon evaluation, may be so much worse than others for price or other reasons, that the possibility of accepting a subsequent offer is so remote as to make negotiations unnecessary; and
- you may have enough proposals so that you can be assured of negotiating the best buy in dealing only with several of the best; negotiating with more would be wasteful of both your resources and the marginal proposers'.

For these reasons, a commonly used technique is to conduct negotiations only with offerors determined to be within the competitive range. In assessing the competitive range, competition remains an important objective, and the effort in determining the competitive range is to preserve those proposals which stand a reasonable chance of being found acceptable, not to unduly limit competition by eliminating viable proposers.

Purpose

Competitive range is a difficult concept to define in specific terms which would apply to all potential procurements, because professional judgment must be used in establishing the competitive range. Procedures and factors for determining the competitive range may differ from procurement to procurement.

The competitive range can be determined so that it is:

- Not used to unfairly eliminate offerors;
- Based on factors and criteria known to all offerors;
- Applied uniformly to all proposals; and
- Well documented in the procurement files.

One of your considerations may be that as many offerors as possible be given the opportunity to be considered within the competitive range, so as to attain the goal of full and free competition. Only those offerors whose proposals are determined to be so deficient or so out of line as to preclude meaningful negotiation need be eliminated from the competitive range.

The competitive range can consist of those offerors whose proposals have a reasonable chance of being selected for award, i.e., are acceptable as submitted or can be made acceptable through modification. All responsible offerors whose proposals are determined to be within the competitive range would be invited to participate in any oral and/or written discussions.

Best Practices

While it is not possible to identify all of the specific steps and analyses that could be performed in determining which proposals are within the competitive range, the following are provided for consideration in making this determination:

- The determination of which proposals are within the competitive range is usually made by the evaluation team (or procuring official, if there is no evaluation team).
- Competitive range determinations can be made using cost/price, technical and other factors identified in the solicitation.
- Detailed independent estimates prepared by the initiating department or project office can be considered when assessing the cost/price aspects of competitive range.
- The evaluation team's scoring of offerors' technical and management proposals is a logical basis for establishing which proposals are within the competitive range, as is scoring of other evaluation/award criteria specified in the solicitation. However, you may paint yourself into a corner if you commit to competitive range determinations based on predetermined "cutoff scores."
- Borderline proposals need not automatically be excluded from the competitive range, if they are reasonably susceptible of being made acceptable. Remember that as a general rule, if there is doubt as to whether a proposal should be in the competitive range, the goal of competition is served by including it.
- Only those proposals that are judged to be so deficient or so out of line as to preclude further meaningful negotiations need be eliminated from the competitive range.
- Competitive range determinations are significant documents in the procurement file. This documentation is helpful to serve as a basis for debriefing offerors, and for responding to inquiries and protests. Many systems notify, in writing, any offerors whose proposals have been eliminated from consideration for award. Such notification occurs at the earliest practicable time after this determination is made.
- Written and/or oral discussions are usually conducted with all offerors determined to be within the competitive range.
- At the conclusion of discussions with offerors in the competitive range, the procuring official may ask all offerors to submit their best and final offers in writing. This combines complete fairness for each offeror, with competitive incentive for each to make its best realistic offer. For a discussion on best and final offers, reference Section 4.5.5.2 "*Request for Best and Final Offer.*"

(d) Discussions are difficult to structure so that the process remains "fair and open". They are often described by procurement people as "difficult to manage", and by vendors as "seemingly unfair" or "favoring one proposer". FTA's comments on this process are insightful:

4.5.4 Discussions and Clarifications

DEFINITIONS

Negotiation - A procedure that includes the receipt of proposals from offerors, permits bargaining and usually affords offerors an opportunity to revise their offers before award of a contract.

Discussion - Any oral or written communication between a procurement official and a potential offeror (other than communication conducted for the purpose of minor clarification) whether or not initiated by the procurement official, that (1) involves information essential for determining the acceptability of a proposal, or (2) provides the offeror an opportunity to revise or modify its proposal.

Clarification - A communication with an offeror for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in a proposal.

DISCUSSION

You may wish to obtain clarifications from one or more proposers, or hold discussions with all proposers immediately after receipt of proposals. However, it is also possible to proceed with evaluations and determination of a competitive range as described in the

following sections, before discussions are held. Most typically, the first discussions are oral presentations made by a short list of proposers within a competitive range. If discussions are held with any proposer at any phase of the procurement, holding discussions with all remaining proposers (not already excluded from the competitive range as described in Section 4.5.3, "Competitive Range") will increase the likelihood and the appearance of the most accurate and objective evaluation and negotiation.

Best Practices

You are not required to conduct discussions with any offeror provided: (1) the solicitation did not commit in advance to discussions or notified all offerors that award might be made without discussion, and (2) the award is in fact made without any written or oral discussion with any proposer. Normally, however, you will need to conduct discussions. If this is the case, you will preserve the competitiveness and fairness of your procurement by conducting discussions with all offerors who submitted proposals in the competitive range. The competitive range is determined on the basis of cost or price and other factors and includes the proposals that have a reasonable chance of being selected for award. The content and extent of the discussions is a matter of your judgment based on the particular facts of the procurement.

Confidentiality has many advantages during the evaluation process. The name and number of proposals received is not normally considered a public record and need not usually be released to the competitors or the public at large. Your control of this information may ease the proposers' competitive tension and allow you to conduct more meaningful negotiations. Competitive information provided relative to both the technical and cost proposals may include trade secrets protected by statute and can usually be kept confidential during the evaluation process, and, in some instances, after the award of contract. However, state public information laws and the Federal Freedom of Information Act can also affect your latitude, particularly if there is public interest in the procurement and inquiries are made by non-competitors.

If you enter negotiations or discussions (as opposed to simple requests for clarification) with one offeror, an automatic impression of unfairness is avoided by entering them with all remaining offerors. An occasional mistake is to circumvent the process merely by requesting "clarifications" when you are in fact conducting discussions. If the questions, and the concurrent opportunity to respond, are sufficient to lead an offeror into areas of perceived deficiency in its proposal, discussions have been held. If discussions are held, what should the content be or how should they start? Competition and fairness are served by conducting meaningful discussions with offerors.

This includes advising them of deficiencies in their proposals and affording them the opportunity to satisfy the requirements by the submission of revised proposals. You are not, however, obligated to afford offerors all-encompassing discussions, or to discuss every element of a technically acceptable, competitive-range proposal that has received less than a maximum possible score. Also, if a proposal is technically unacceptable as submitted and would require major revisions to become acceptable, you are not required to include the proposal in the competitive range for discussion purposes.

Sometimes you may be in the uncomfortable position of having concluded discussions only to discover there is a significant mistake or an aspect the evaluators do not understand in one proposal. Since allowing one bidder to correct its proposal would constitute discussions with that firm, discussions must be reopened with all bidders in the competitive range and they must be allowed the opportunity to submit revised proposals.

During discussions with offerors, you may be requested to ask all proposers to submit proposals with an advantageous approach proposed by one of them. Someone on your team may suggest that a technique used by proposer A would complement proposer B's approach well and could result in an advantageous offer from B. Also, after price proposals have been evaluated, someone may suggest that a proposer with a high technical score should be asked if it can meet a price which happens to be the price of a competitor. Such techniques are considered technical leveling, technical transfusion or auctioning. The disadvantage of these techniques is that proposers may react adversely. Because they are concerned about their position relative to their competitors, and want to keep their strengths confidential from their competitors, they may become more secretive in their discussions with you if they sense you may relay their ideas, pricing, or positions to their competitors. This is not to discourage discussion of price or suggesting major revisions in a proposal, but rather to discourage the disclosure, even indirect, of one proposer's information to another. They may hold back their strengths and valuable information, waiting for a BAFO. This can greatly inhibit the negotiation of the most advantageous proposal.

Appendix 1 contains a 10-page example of an evaluation process. With a little bit of work, it can be revised and applied to a wide variety of RFPs. When combined with information from a specific RFP, it can be used as an Evaluators Guide, explaining and standardizing the procedure used by the Evaluation Committee. The document deals with opening of proposals, the Selection Committee and Evaluation Team, and the proposal evaluation process. It also contains three sample scoring procedures.

Atlantic Lottery Corporation

Evaluation Charter

The evaluation process often becomes the center of controversy and intense scrutiny. It is a common practice to define the details of the evaluation process while the RFP is being developed. In most organizations, the Project Manager or Procurement Officer reviews the evaluation procedure with the Evaluation Committee just before the proposals are distributed. They want to ensure that each evaluator understands the process and performs accordingly.

Some organizations provide the evaluators with score sheets; others, with a description of their responsibilities. Some organizations provide each evaluator with a Guide, a detailed description of the evaluation process based on the RFP itself. While these Guides take time and effort to prepare, they are worth it! These Guides help the evaluators understand the process and their responsibilities. They simplify the work of the evaluators and they are a great tool in defending the process from criticism.

This Evaluation Charter is one of the best guides I've seen. It's well organized. It's synchronized with the RFP. It deals with critical issues including Project Strategy, Responsibilities, and Risk Management.

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In the remainder of this article, we have reproduced two sections of this Charter. The first describes the overall evaluation strategy and the specific events. The second deals with risk management - a topic which should routinely be part of every evaluation but one which is rarely included.

5 Project Strategy and Process Flow

5.1 Strategy

All team members will receive copies of the proposals following their opening. Team members will have approximately 1.5 weeks to review and score the proposals before attending the first review meeting. The criteria for scoring will be established and delivered prior to the team members receiving the proposals for evaluation.

The results of the initial meeting are to discuss our findings, to develop a shortlist of Suppliers and to compile questions and issues that should be dealt with during the Supplier presentations. The team will focus on the solutions being presented by the Suppliers. Cost will be reviewed but not scored at this point in time.

Shortlisted suppliers may be requested to come to ALC, following the initial review meeting, to present their proposals. They will also be expected to answer to any/all issues and questions that are compiled in the initial review.

After the Supplier presentations, a second review meeting will be held with all team members involved. During the second review the objective will be to establish consensus scoring of the proposals.

Once the consensus scoring is completed, costing presented by the Suppliers will be combined with the solution scores to establish an indication of the value of each solution.

With the scoring of the solution and value in hand, the RFP Recommendation document will be drafted indicating the major findings, strengths, weaknesses, and outstanding issues related to each proposal.

The Recommendation document will be presented to the Corporate Sponsor for consideration and comment. This will be considered the final deliverable of this project.

5.2 Project Process Flow

The following list of activities outlines the process flow for this project:

1. **RFP Evaluation Planning Session** **May 1 & May 10, 2002** All
This is the initial planning session with all team members expected to attend. The objective of this planning session will be to ensure that all team members are aware of what is expected of them (their roles and responsibilities) and the schedule that must be adhered to for successful completion of this project. Of special interest will be the criteria that have been developed to assist team members in evaluating the proposals.
2. **RFP Opening** **May 10, 2002** Purchasing, PM, Audit
RFP responses that have been received by the proper closing date will be opened.
3. **Initial Compliance Assessment** **May 10, 2002** Purchasing, PM, Audit
RFP responses will be assessed to determine compliance with all **minimum requirements**. (refer to page 9, Article 1 of the RFP document).
4. **Deliver Responses to Evaluation Teams** **May 13, 2002** Purchasing
Copies of the RFP will be delivered to all members of the Evaluation Team. Evaluation Team members should start their review of the documentation immediately. If team members require support from others in their departments to conduct the evaluation, it will be their responsibility to plan and coordinate that involvement.
5. **Initial RFP Review Meeting** **May 23, 2002** All – Purchasing/PM lead

Meeting to review the proposals, with main emphasis on starting to evaluate, but also to start compilation of questions for suppliers. A case study and questions are to be delivered to suppliers prior to their onsite presentation, to allow them time to prepare.

6. **Compile Questions for Suppliers & Schedule Presentations** **May 23-24, 2002, All**
7. A list of questions for Suppliers will be developed and delivered to the Suppliers, in writing, for a response. The presentations will be scheduled at the same time. Suppliers will be expected to respond to the questions in writing, and to include responses to the questions as part of their onsite presentation.
8. **Supplier Presentations** **Week of May 27th, 2002** All, Suppliers
The Suppliers will be requested to come to ALC to meet with the RFP Evaluation Team. They will be asked to present their proposals and to answer questions that have been compiled during the initial reviews.
9. **Second RFP Review Meeting** **June 4th, 2002** All
Once the presentations are delivered, and all outstanding questions answered, it is time for our second review. At this meeting, we will attempt to achieve consensus scoring to the proposals using the criteria that we have developed. The supplier costing will be combined with the solution scores at this point.
9. **Recommendation Report** **June 7th** Purchasing, PM, review by all
As a result of the evaluation process, a Recommendation Report will be developed by the Project Manager and Senior Buyer. The Recommendation Report will outline the results of the evaluation, and identify the preferred supplier(s). The Recommendation Report is the key deliverable of this project.
10. **Final Team Review** **June 10, 2002** All
Before being presented to the Corporate Sponsor, the Recommendation Report will be presented to the RFP Evaluation Team. This review is intended to inform the team regarding what will be presented to the Corporate Sponsor. As a result of this meeting, additional information may be added to the Report for accuracy and/or clarity.
11. **Presentation to Corporate Sponsor** **TBD, 2002** PM, Corporate Sponsor
After being reviewed by the evaluation team the RFP Recommendations will be presented to the Corporate Sponsor. The RFP Recommendations will outline the results of the RFP process, the selection of preferred Supplier(s) and recommend a course of action.

8. Risk Management

8.1 Critical Success Factors

Supplier's Proposal Format – the format of the all proposals should be similar to make the job of comparison easier. The format has been suggested in the RFP, but we are not assured that all suppliers will respond as requested.

Complete Proposal Review – the proposal evaluation team must work diligently to ensure that they understand the complete content of the proposals. It will not be appropriate to, for example, read the executive summary and financial summary and jump to conclusions. A complete and thorough evaluation of all content is required.

List of Pros, Cons, Issues, and Questions – All team members must compile, when reviewing each proposal, a list of Pros, Cons, Issues, and Questions. These lists will form the basis for discussion in the initial review meeting and when the team attempts to reach consensus scoring. All team members must participate.

Consensus Scoring – The consensus scoring is an essential part of this process. It is one of the main indicators that will be documented for years to come related to this RFP process. All team members must participate and understand that this grading will lead to a recommended supplier.

Schedule – It will be essential for all team members to adhere to the schedule for this project to be successful. It will not be appropriate for a team member to show up for a review, and not be prepared. We must meet the identified milestones.

8.2 Risks

Risk of Litigation – This risk is due to the competitive nature of this project. What if a Supplier that is not selected calls their lawyer immediately? What can ALC do to ensure that we are protected, and that our decision is not challenged?

- All team members must completely review all proposal content;
- All team members must contribute to the list of Pros/Cons/Issues/Questions in writing;
- All team members must attend review meetings and Supplier presentations, minutes must be recorded;
- All team members must work diligently towards achieving consensus scores, their contributions must be recorded;
- No team members are allowed to communicate in private directly with the Suppliers until the competition has ended. All communications must go through ALC Purchasing, or more specifically, <name deleted>.
- In the end, ALC's recommendation must have strong foundation in the form of a Recommendation Report. There must be compelling and documented reasons why ALC recommends the preferred supplier(s).
- If there are any reasons why a team member cannot meet a project obligation, they must inform the project manager as soon as possible, and attempt to provide a substitute.
- All team members must attempt to get support from their departments without negative impact on the project. Team members represent their department, and should act as leaders for that department.

Risk of No Adequate Proposals – There is a chance that we receive no proposals that are deemed appropriate or adequate, for a number of reasons. What can ALC do to ensure that we receive a winning proposal? What should ALC do in the event that we do not?

- A high quality Request For Proposal document is ALC's best weapon against this risk. The proper amount of time and planning has been devoted to ensure a quality document.
- ALC should not compromise on their objectives. If no suitable solutions or Suppliers are presented, ALC should address the process and possibly re-start.

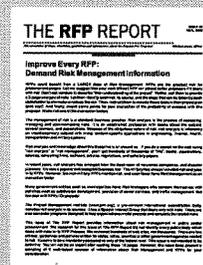
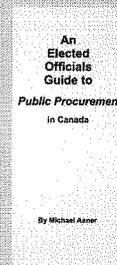
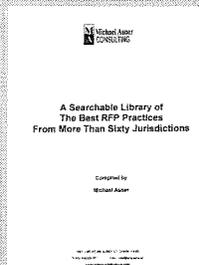
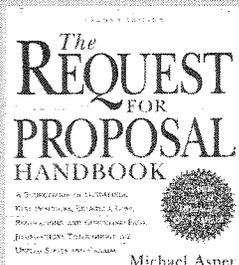
Risk of Inability to Reach Consensus – There is a slight probability that we receive a proposal(s) that pleases half of the evaluation group, and another that pleases the other half. What can ALC do to ensure that we can get by an impasse of that sort?

- The Project Manager and Senior Buyer from Purchasing will attempt to facilitate a process which results in consensus.
- Issues that appear to be "show-stoppers", not allowing consensus to be reached, will be brought up to ALC's Corporate Sponsor for resolution.
- All team members must be reasonable, and listen to the views of others. Review the project objectives and goals to stay focused. A balanced approach to evaluation should allow us to reach consensus.

More information:

I have a copy of this document which I can email you (asner@compuserve.com). If you have specific questions, please contact Phil Elliott. His email address is pell@alc.ca.

www.proposalsthatwin.com



New York City REFORM FOR PROCUREMENT

On June 26, 2003, the New York City Charter Revision Commission released its 50-page Staff Report. While the report deals mainly with changes in the City's Charter and is, therefore, highly legalistic in its content and tone, it does contain some interesting information related to procurement reform.

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In considering procurement reform, the staff also considered:

- Prevention of fraud, favoritism, and corruption.
- Promotion of efficiency and effectiveness in the purchase of goods and services.
- Encouragement of accountability, understood in the context of the 1989 Charter provisions as to the primacy of mayoral responsibility for the procurement function.
- Promotion of fairness for vendors and enhanced access for them to the City's procurement system.

It is interesting to note that NYC recognizes, in law, 10 different methods of procurement in addition to competitive sealed bidding:

- small purchases
- sole source procurements
- emergency purchases
- competitive sealed proposals (also known as Requests for Proposals or RFPs)
- negotiated acquisitions
- accelerated procurements
- intergovernmental and government-to-government purchases
- procurements using prequalified lists
- demonstration projects, and
- innovative procurement methods.

For those interested in reading the full report, go to:
<http://home.nyc.gov/html/charter/html/reports2003.html>



Citizens Budget Commission

This document is
a summary of the
CBC's latest report.

NO SMALL CHANGE: OPPORTUNITIES FOR STREAMLINING PROCUREMENT IN NEW YORK CITY

In 2002, the Citizens budget Commission (CBC) published a report dealing with procurement reform in New York City. This is a really interesting report which provides great value for many of the smaller jurisdictions throughout North America (and most are smaller than NYC). The CBC recognizes that "procurement reform is neither glamorous nor highly visible. It requires sustained commitment over a relatively long period."

This report, while dealing with the specifics of procurement in New York City, provides useful data for procurement executives elsewhere:

- ▶ confirmation of the value of P-cards;
- ▶ identification and discussion of advanced e-procurement systems in other jurisdictions;
- ▶ quantification of potential cost savings through e-procurement
- ▶ identification of benefits of advanced e-procurement systems.

The entire 39-page report and the 4-page summary can be downloaded from:
<http://www.cbcny.org/publications.html>

YES

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